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Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of	
Review of the Commission's Regulations Governing Broadcasting	**MM Docket No. 91-221**
Television Satellite Stations Review of Policy and Rules	**MM Docket No. 87-8**

OPPOSITION TO PETITION FOR RECONSIDERATION BY THE LOCAL STATION OWNERSHIP COALITION

The Local Station Ownership Coalition (hereinafter LSOC) hereby files this opposition to Petitions for Reconsideration in the above captioned matter. LSOC is a coalition of local television broadcast station licensees and associations, formed to seek meaningful relaxation of the Commission's television duopoly rule. We have been active participants throughout this proceeding and have also filed a Petition for Reconsideration.

LSOC supports the arguments raised by the Association of Local Television Stations, National Association of Broadcasters, LIN Television and others in their Petitions for Reconsideration. We note that virtually all of those filing take particular issue with the minimum voice standards articulated in the Commission's decision.[1] We take issue, however, with several of the objections raised by petitioners Office of Communications United Church of Christ *et al.*, (hereinafter UCC) and the Minority Media and Telecommunications Council (hereinafter MMTC). This opposition will be confined to issues raised by these parties.

I. Relaxing the Television Duopoly Rule Will Enhance Program Diversity.

The concerns raised by UCC and MMTC are premised first on the notion that outlet diversity should be the predominant, indeed, all consuming, objective of the FCC. This objective has been the subject of considerable debate. Key policymakers have questioned the nexus between pursuing a policy of independent facility ownership and the provision of diverse program content.[2]

Even the theoretical basis for this link is at best tenuous. In a workably competitive market, the number of firms will be determined by operating and capital efficiencies, *i.e.*, the minimum firm size will be dictated by the need to produce cost-efficiency. Artificial efforts to

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[1]*See e.g.*, Petition for Reconsideration by the Association of Local Television Stations at 14, Petition for Partial Reconsideration and Clarification by National Association of Broadcasters at 3. Petition for Reconsideration filed by Aries Telecommunications at 12, Petition for Reconsideration by Blade Communications at 18. Petition for Reconsideration by Paxon Communications Corporation at 17, Petition for Reconsideration by Pegasus Communications Corporation at 27-28, Petition for Reconsideration by Sinclair Broadcast Group, Petition for Partial Reconsideration by Lin Television Corporation at 2.

[2]*See e.g.* Dissenting Statement of Commissioner Harold Furchtgott-Roth, *In the Matter of Review of the Commissions Regulations Governing Television Broadcasting ad Television Satellite Stations,* MM Docket No. 91-221, 87-8, FCC 99-209, (released August 6, 1999). (hereinafter cited as the *Duopoly Order*).

increase the number of firms will only result in the creation of firms which are below efficient-firm size. Over time those firms will be driven out of the market by their more cost-efficient competitors and the number of competitors will return to the level dictated by the basic economics of the industry and capital markets.

In any event, the record in this proceeding demonstrated that no such nexus exists. Moreover, because of intense competition in the marketplace, the record also demonstrates that program diversity (as distinct from outlet diversity) will be enhanced only by permitting local market combinations. Retaining outdated ownership rules in an effort to promote outlet diversity actually reduces quality programming, thereby decreasing the diversity of programming made available to the American public. Rules that restrain common ownership in local markets are only a *means* employed to achieve this end. In the case of the local television ownership rules, they have become counterproductive.

II. No Empirical Evidence Has Been Presented Linking Relaxed Ownership Rules with Declines in Ownership by Minorities, Women or Small Business Entities.

The second assumption relied upon by UCC and MMTC is the purported link between the continuation of the local broadcast ownership rules and the ownership of broadcast facilities by women, minorities and small business entities.[3] According to these parties, eliminating the

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[3]There is no empirical evidence in the record demonstrating that stations owned by women or small businesses necessarily have unique programming characteristics. Moreover, the nexus between minority ownership and program content may also be questioned. Minority owned media companies, following the dictates of market forces, program to a variety of diverse audiences. The marketplace, not the characteristics of the owner, dictates program content.

local television ownership rules will lead to declines in ownership of television broadcast facilities by these groups.

At the outset, LSOC does not challenge the goal of promoting minority ownership in broadcasting. There are significant hurdles confronting small business, women and minority owners in broadcasting. The number of women and minority owned broadcast facilities is appallingly low. LSOC strongly supports the broadcast industry's efforts to increase the number of broadcast facilities owned by minorities, women and small businesses.[4] For the purposes of this proceeding, however, the specific issue is whether relaxation of the local television ownership rules will have a negative impact on minority ownership. We do not believe the empirical case has been made.

Both petitioners reference the 1996 Telecommunications Act and the consolidation that occurred in radio following passage of the Act. According to the theory, consolidation in radio

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> Good broadcasters know how to identify undeserved audiences and find the format hole. Very often, undeserved audiences desire black or Spanish-language programming. But minority broadcasters program in every format -- including formats being done by companies selling them stations. Talented broadcasters like Amador Bustos, Regan Henry, Ross Love and Alfred Liggins have done talk, news, middle of the road, oldies and country with ease.

David Honig, Guest Commentary, *Electronic Media* November 8, 1999 at 9,26.

[4]Major broadcasting groups such as CBS, NBC, Fox, Clear Channel, Tribune, Lin Television and others have formed already pledged $175 million in loan guarantees to help increase the number of women and minority owners in broadcasting. They hope to increase the fund to $500 million which translates into a billion dollars worth of purchasing power. *See Electronic Media*, November 8, 1999 at 2. There is also tremendous support for Senator McCain's effort (S. 1766) to reinstate the tax certificate program.

squeezed out minority owners. MMTC posits several theories for the decline in minority ownership, including lack of knowledge about pending sales, lack of access to capital and a fear by investors in minority enterprises that they would not be able to compete with new more consolidated broadcast groups.

There is however, no systematic empirical evidence to support this connection. Indeed, NTIA stated in 1997:

> While MTDP has anecdotal data to support its findings regarding the impact of deregulation on the broadcast marketplace and minority ownership, it has no substantial empirical evidence to show that the 1996 Act has had a detrimental effect on minority ownership. MTDP will continue to gather the data and statistics that will help MTDP to assess more accurately the impact of the 1996 Act and the increased ownership limits on minority broadcast ownership.[5]

Examining data from 1992 through 1998 reveal that ownership deregulation does not necessarily effect the levels of minority ownership. There is a confluence of factors affecting minority ownership. Nonetheless, significant relaxation of the radio ownership rules did not necessarily correlate with declines in minority ownership. For example, in 1992 the FCC increased the national radio ownership limits from 12 AM and 12 FM stations to 18 AM and 18 FM stations. As noted below, however, the number of minority owned FM stations increased, albeit marginally, during 1993 and 1994. While minority owned AM stations declined in 1993, they increased in 1994. National radio ownership limits were relaxed further in September 1994. Again the number of minority owned FM stations increased between 1994 and 1995. These

[5]NTIA ,1997 Minority Commercial Broadcast Ownership Findings at 2., http://www.ntia.doc.gov/reports/97minority/findings.htm. (visited November 17, 1999).

increases should not have happened if relaxation of the broadcast ownership rules was linked ineluctably to decreases in the number of minority owned stations. If MMTC's thesis is correct, one would have expected significant declines during this period.

Minority Ownership
1992 -1997(1998)

	AM	FM	TV	TOTAL
1992	189	107	34	330
1993	185	108	29	322
1994	190	121	32	343
1995	185	127	38	350
1996-1997	184	100	38	322
1997-1998	189	116	32	337

* *Source NTIA Minority Commercial Broadcast Ownership Findings*

One would expect a significant and continuing *decline* in the number of minority owned radio stations due to the 1996 Telecommunications Act. However, from 1997 to 1998 the number of minority owned AM stations *increased* by five and the number of minority owned FM radio stations *increased* by 16, amounting to an overall increase of 21 stations. This should not have happened under MMTC's theory.[6]

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[6]Indeed, the most significant dip in minority owned stations appears to have occurred between 1995 and the 1996-1997 period. It must be remembered however, that in 1995 Congress eliminated the FCC's minority tax certificate program. Many believe that the tax certificate program was the single most influential program in increasing minority ownership. Elimination of this program may account for these declines.

An alternative question is whether the existence of the local ownership rules has helped increase minority television ownership. History demonstrates that television ownership rules have had little or no impact on the number of minority-owned local television stations. The sad truth is that even with the local television ownership rules in place, the number of minority owned stations has not increased. NTIA reported that the number of minority owned television stations in 1997-1998 was the same as in 1994, 32 stations. During this period the national television ownership rules were relaxed and the local ownership rules remained in place. The existing rules simply have not served as an effective mechanism for increasing minority ownership. There is no direct evidence to indicate that the ownership rules have any impact, one way or another, on the number of minority owned stations.

NTIA does note that the number of *independent* minority owners declined during the 1997-1998 period. Increases in the actual number of minority owned stations is due to consolidation among minority owners.

> The number of stations owned by minorities increased because incumbent owners acquired additional properties rather than because new owners entered the marketplace by building new stations or by purchasing broadcast properties. In other words, the increased consolidation noted in the broadcasting industry
>
> generally, now is increasingly becoming a factor with regard to minority ownership as well.[7]

In other words, the pattern of minority ownership mirrors the general ownership pattern in the industry. For example, minority owned Granite Broadcasting is moving forward with

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[7]NTIA, 1998 Minority Commercial Broadcast Ownership in the United States at 3. Http://www.ntia/doc.gov/opadhome/minown98/main.htm. (visited November 17, 1999)

local market combinations in at least two markets. As *Communications Daily* reported recently:

> Minority-owned Granite Bcstg.(sic) filed for approval to establish a duopoly by buying WNGS (Ch.67) Springville, N.Y.,(UPN affiliate for Buffalo), where Granite owns WKBW-TV (Ch.7, ABC). WNGS is being purchased from Unicorn Communications for $23 million cash. Under waiver of FCC rules Granite currently operates a duopoly in San Francisco-San Jose. [8]

Earlier this year *Broadcasting & Cable* reported on the significant growth of minority-owned Radio One, which purchased 18 radio stations in the past 20 months:

> Making the biggest jump on the list is urban-format specialist Radio One Inc., which went to No. 16 from No. 21 last year on revenue growth of more than 77% to $93.3 million.[9]

In summary, there appears to be no direct relationship between relaxation of the local television ownership rules and the levels of minority television ownership.[10] Declines in minority ownership simply do not correlate with major deregulatory efforts over the past few years. It also appears that minority owners are following a pattern set forth by the industry and expanding their portfolios.

We strongly support efforts designed to increase minority ownership of broadcast facilities. Nonetheless, absent an empirical link between decreased levels of minority ownership and relaxation of the local television duopoly rules, there are no public policy reasons for

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[8]*Communications Daily*, November 17, 1999 at 2-3.

[9]*Broadcast and Cable*, August 30, 1998 at 26.

[10]Indeed, Granite's acquisition of WGNS in Springville NY raises some interesting diversity issues. Because Granite is one of the few minority owned companies, one can argue that diversity is enhanced by the creation of this duopoly in Buffalo. On the other hand, the station was sold by a non-minority, women, sole-station owner. Adhering to a consistent theory of diversity becomes extremely difficult in these situations.

adopting any of MMTC's specific proposals. Enacting these suggestions will harm the public and will not lead to increased levels of women, minority and small business ownership.

III. LMAs Should Not Be Terminated Based on Levels of Minority Ownership or Asset Value.

MMTC's plan is to force the premature termination of existing LMAs. According to MMTC:

> [I]f by 2001...minority or SDB television station count, or minority or SDB asset value, has declined by more than 10%, it should end the two year grandfathering of post-November 1996 LMAs. If it makes such a finding by 2004, it should end the grandfathering of all LMAs.[11]

There is no justification or legal basis for such a draconian policy. First, the Commission, as did Congress, found that these local market combinations have and continue to serve the public interest. The record is replete with examples of LMAs providing more news, public affairs, sports, entertainment and in particular local programming. Absent these combinations, the level of service in these markets would decline. While the Commission incorrectly failed to follow the Congressional directive immediately to grandfather these facilities, permanently, it at least kept that possibility open. MMTC's plan would plainly flout Congressional intent.

Second, national statistics on minority ownership and SDB asset value have no bearing on the service provided in specific local markets by these LMA combinations. For example,

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[11]MMTC Petition for Reconsideration at 11.

under MMTC's plan, an LMA in upstate New York providing service to its community would be forced to divest because several existing minority owned broadcasters in California decided to sell their facilities.

Third, there is absolutely no link between the *existing* LMAs and *future* declines in minority ownership or SDB owned stations. These LMAs are already in existence. Any possible declines in minority or SDB ownership that may occur would be due to the formation of *new* combinations. Forcing existing combinations to divest because of declines in minority ownership that are caused by new combinations is simply punitive.

Fourth, there are a variety of exogenous factors that could lead to declines in SDB and minority ownership of television stations or asset value. Entrepreneurs may decide to shift investment to more lucrative pay subscription services. We live in a global economy. Declines in asset value can be the result of inflation, recession, war, natural disasters, competition from other media or a collapse in foreign markets. It is unreasonable to hold LMAs hostage to economic conditions that are completely unrelated to the local combinations and beyond their control.

Finally, the economic uncertainty created by MMTC's proposal would undoubtedly drive any investment dollars away from these LMAs. It creates an entirely unpredictable situation. Divestiture will depend on elements that are far beyond the control of the local station management. No company or financial institution will continue to invest in such an unstable climate. Ironically, the proposal will harm minority capital formation. MMTC's plan will drive capital away from all broadcasting, including minority broadcasters.

IV. Advanced Notification Should Not be Required For the Sale of Failed or Failing Stations.

As noted in our Petition for Reconsideration, we disagree with the waiver standards adopted by the Commission[12]. We especially disagree with the proposal that failed and failing stations must certify that the local station is the only "reasonable available" buyer for the facility.

MMTC would have the FCC add yet another hurdle by requiring advance notice of the sale to potential minority and SBD owners. While the concept of requiring advance notice and an opportunity to bid sounds reasonable on its face, the devil is in the details. How much advance notice is necessary? How much time is needed for a reasonable opportunity to bid? Who should receive notice? Will this be a nationwide notification? However these issues are resolved, the potential for abuse by competitors and others is obviously great. The process could add months, if not years, to the sale of a station that already is in financial jeopardy. During the process, service to the public would continue to decline.[13]

Advance notification could force a financially troubled station over the edge as employees and financing shift to non-broadcast investments. It is simply inaccurate for MMTC to assert that failing stations have no staff and little goodwill. If enacted, the proposal will make a bad situation worse.

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[12]LSOC Petition for Reconsideration at 19.

[13]MMTC's proposal to provide expedited processing to stations selling to SBDs offers little comfort. As MMTC acknowledges, the entire proposal is beyond the scope for this proceeding. Moreover, the harm to the station and declines in service will accrue during the sale phase of the process. Expediting the application process will not rectify these problems.

Finally, the proposal appears to require the FCC to consider "third parties" in the context of a station transfer. As noted in our Petition for Reconsideration, consideration of potential "third party" purchasers of a station conflicts with Section 310(d) of the Communications Act.[14]

V. The Subsequent Sale of A Local Market Combination Should Not Be Limited Sales To SDBs.

In our Petition for Reconsideration, LSOC stated that once formed, all local market combinations should be freely transferable as a combination.[15] There are no sound policy reasons for limiting the subsequent transferability of local market combinations. MMTC implicitly agrees with this analysis. It would permit the continuation of these combinations, but only if these combinations were sold intact to a small developing business (SDB).

Given the FCC's current limitations on the subsequent sale of newly created duopolies, one could argue that MMTC's plan does provide some relief. Certainly, it is better than an absolute ban on the subsequent transfer of a local market combination. Nonetheless, the plan simply does not go far enough. Indeed, MMTC's attempt to manipulate the process raises some fundamental concerns about its position.[16]

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[14]LSOC Petition for Reconsideration at 20.

[15]*Id.* at 22.

[16]It appears MMTC is *not* concerned with outlet diversity,(*i.e.* the number of independent voices that exist in a market). It has no trouble continuing duopolies, provided the owners of these facilities are its constituents and not "larger, more powerful companies." The FCC's analysis regarding independent voices has never rested on drawing such an artificial distinction.

Throughout its Petition, MMTC argues that the fundamental problem with permitting local market combinations is that women, minorities and small business entities will be excluded from acquiring such combinations. The cornerstone of its position is that small business and minority entrepreneurs lack the capital to acquire station combinations. Indeed, it assumes that minorities and SDBs will always lose when bidding for a single station against another station in the local market.

Given MMTC's position, one wonders how an SBD would suddenly gain access to the capital necessary to acquire, at market value, a two station duopoly when it is subsequently transferred. MMTC's plan leads to two contradictory scenarios. Either the concerns raised by MMTC about the effects of relaxed ownership rules on minority and small business ownership have been greatly exaggerated or SDBs will be unable to pay anywhere near market value for these combinations.

If the lack of access to capital arguments are correct, then limiting the subsequent transfer of local market combinations only to SDBs will lead to a dramatic undervaluation of the station combination. The rule would create a limited class of purchasers which, according to MTCC, lack sufficient capital to purchase two stations in a market in a normal bidding process.

Such undervaluation will ultimately harm up-front investment in underperforming stations. An important part of any investment is the ability to sell the asset at market value at some future time. By limiting subsequent transfers only to those entities who, according to MMTC, lack access to capital, initial investors may be reluctant to provide the up-front financing

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these facilities are its constituents and not "larger, more powerful companies." The FCC's analysis regarding independent voices has never rested on drawing such an artificial distinction.

to create the combination. The result is that many individually owned, yet underperforming stations, will be unable to combine and harness local economies of scale. They will continue to struggle and provide an inferior service to their local communities.

We respectfully request that the FCC reject such a manipulation of the transfer process. Once created, local market combinations should be *freely* transferable. Limitations on the transferability of the combinations will merely create a shift away from free, over-the-air television broadcasting.

VI. The DMA is the Proper Definition of a Station's Local Market.

UCC objects to the Commission's decision to use the DMA as the geographic market for its duopoly rule analysis. It would prefer that the FCC retain the Grade B standard.

LSOC supports the DMA definition. Both the FCC and Congress have relied on the accuracy of industry based market definitions to guide its rules. Advertising is purchased and programming is sold based on the Nielsen's Designated Market Areas (DMA). It is the proper definition of a television market for the purposes of these rules.

There is ample precedent for this approach. Similar definitions have been used in the past with little or no problem.[17] The FCC's current national television ownership rules are based on

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[17]These rules relied on Arbitron's Area of Dominant Influence (ADI) to define local markets. While there were some subtle differences between the ADI and DMA, the basic concept is the same. Both are widely recognized industry standards based on the viewing patterns of television households by county. Also, UCC argues that a private company's standard, the DMA, should not serve as the basis for a federal rule. Experience with other DMA based FCC rules demonstrates that there is little problem using a private company's analysis as the basis for a federal rule.

standard industry market definitions.[18] Moreover, Congress has recognized that the DMA is the appropriate definition of a local station's market when it enacted the must-carry rules and when defining what constitutes a local signal for the cable compulsory license.[19]

UCC's criticism of the DMA's market definition appears to be that it is both over and under inclusive. The same is true for the Grade B signal standard, or any other standard for that matter. For example, Grade B signals often overlap two or more large metropolitan areas, such as Washington and Baltimore or Providence and Boston. Consistent application of the Grade B standard means that the FCC should consider the out-of-market Grade B signals when calculating its voice tests. Accordingly, the Baltimore stations should be counted as television voices in Washington, DC and the Washington stations should be counted as voices in Baltimore. If applied in a consistent fashion, UCC's plan should lead to additional deregulation in many overlapping markets.[20] This is especially true in markets throughout the east and west coasts.

UCC's concerns about the manipulation of the Nielsen DMAs are misplaced. Any attempt to manipulate the size or scope of a DMA would be placed under significant scrutiny by

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[18] *See,* 47 C.F.R. §73.3555(d)(3)(i)

[19] *See,* Cable Television Consumer Protection and Competition Act of 1992, 47 U.S.C. §614(h)(C), 47 C.F.R §76.55(e) (establishing the ADI/DMA as the local market for the must-carry rules). *See also*, 17 U.S.C.§111(f) (defining a station's local market at the ADI/DMA for purposes of the cable compulsory license.)

[20] Of course, UCC would simply prohibit common ownership of any overlapping Grade B signals. However, such a result is inconsistent with the underlying premise of UCC's Grade B proposal. It is illogical to argue that Garde B should be the definition of a local market based on reception capability and at the same time not count overlapping Grade B signals as voices in that market.

the industry. In a fiercely competitive environment, a gain for one television station usually means a loss for another. Taking away a DMA county in Boston and assigning it to the Providence market would be a matter of grave concern to the Boston stations. The reverse is also true. DMA shifts have a direct impact on advertising dollars. The industry simply would not allow the data to be manipulated in such a fashion.

UCC's criticisms regarding the stability of DMA are similarly misplaced. While there will always be some changes in outlying counties, DMA markets have remained relatively stable over the years. More importantly, it is the ability to provide steady change that makes the DMA approach so attractive. The industry is no longer bound by a rigid rule which has no bearing on viewing patterns and economic considerations.

VII. The Eight Independent Voice Standard is Arbitrary

We agree with UCC that the eight voice diversity standard is arbitrary. It should be abandoned. We strongly disagree, however, with UCC's plans to "fix" the standard.

A. Non-Commercial Stations Should be Counted as a Voice

UCC claims that non-commercial stations should not be counted as a voice in local television markets. Two justifications are given: 1) non-commercial stations do not sell advertising or compete in commercial markets, and 2) counting noncommercial stations artificially increases the number of voices in the market.

Non-commercial stations should not be excluded from the voice count. The new duopoly rules are based fundamentally on the diversity of voices that enter the local market. Even UCC admits that "...[T]here is no question that non-commercial stations play an important role in providing news, educational programming and entertainment to viewers...." [21] Non-commercial stations are important participants in the marketplace of ideas.

There is no question then, that non-commercial stations compete with commercial stations for audience. It is increasingly apparent that they are also competing for "advertising dollars." Over the years the non-commercial enhanced underwriting rules have permitted non-commercial stations to broadcast essentially commercial messages. In many respects there is very little difference between advertising and enhanced underwriting.

UCC references two examples where smaller non-commercial stations, located in outlying counties, are counted as part of a larger DMA. UCC provides no evidence on the pervasiveness of the problem. Moreover, UCC sidesteps the issue of whether these stations can be seen on cable. While somewhat different, the cable must-carry rules apply to non commercial stations. Thus, a station licensed to an outlying community is seen throughout most of its DMA.

B. The Definition of Independent Voices Should be Expanded

Contrary to UCC's position, we believe the FCC erred in limiting voices to over-the-air television stations. We addressed this issue in detail in our Petition for Reconsideration. Specifically we stated that cable television, satellite services and the Internet should be counted as a voice in the market.[22]

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[21]UCC Petition at 14.

[22]LSOC Petition for Reconsideration at 15.

The FCC's recent decision in the cable ownership rules supports our contention that cable television is a substitute for over-the-air broadcast television and should be counted as a voice in the market. According to the Commission, it decided to count only over-the-air television voices because broadcast television continues to have a "special and pervasive impact in our society given its role as the preeminent source of news and entertainment for most Americans."[23] However, the FCC later characterized cable the same way:

> Thus, cable television remains the primary source of information and programming for many households in the United States. The horizontal rule limits the extent to which one or a few operators could reduce the number of diverse programming voices in the United States.[24]

Moreover, the FCC continues to enforce rules which prevent the common ownership of cable systems and local television broadcast stations because both are sources of news and information in the marketplace. When extending the debt equity rules the FCC stated:

> We will apply the broadcast EDP attribution test to the broadcast/cable cross-ownership prohibition rule for the reasons set forth in the *Broadcast Attribution Report and Order* because they serve the same purpose, promoting competition and diversity within a local media market.[25]

There is simply no question that cable systems and broadcast television stations are

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[23]*Duopoly Order* at ¶68.

[24]*Third Report and Order* in MM Docket No. 92-264, FCC 99-289 (released October 20, 1999 at ¶38.

[25]*Implementation of the Cable Television Consumer Protection and Competition Act of 1992*, CS Docket No. 98-82 & 96-85, FCC 99-288, (released October 20, 1999) at ¶ 91.

substitutes, hence, competitors in the media marketplace. The FCC's decision to treat them differently is patently arbitrary.

In addition to cable, the FCC must count the Internet as an increasingly strong voice in local media markets. A recent study conducted by Myers Media Economics found:

> America Online beat out the commercial broadcast networks and numerous cable networks in a survey of the nation's most powerful media brands, according to the Myers Media Brand Tracker survey last week.[26]

Thus, it appears that consumers and viewers believe that online services are considered as substitute sources of information in local markets. The Internet should be counted as a voice under the FCC's new duopoly rules.

VIII. Conclusion

The Commission should reject the proposals contained in the Petitions for Reconsideration filed by MMTC and UCC. MMTC's plan to force divestiture of LMAs and restrict subsequent sales of local market combinations finds no support in the record. Also, the FCC should reject UCC's proposal to exclude non-commercial stations as a voice in the local television market. To the contrary, the FCC should expand its voice analysis to include cable systems and programs on the Internet.

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[26] *Electronic Media*, November 22, 1999 at 14.

Respectfully Submitted:
LOCAL STATION OWNERSHIP COALITION

David Donovan, Esq.
1320 19th Street, N.W.
Suite 300
Washington, D.C. 20036
(202) 887-1970

December 2, 1999

Certificate of Service

I David L. Donovan, hereby certify that a true and correct copy of the foregoing Opposition of the Local Station Ownership Coalition was sent this 2nd day of December, 1999., by first class mail, postage prepaid to the following:

Angela J. Campbell
Citizens Communications Center Project
Georgetown University Law Center
600 New Jersey Avenue, N.W.
Suite 312
Washington DC 20001

Andrew J. Schwartzman
Harold Feld
Media Access Project
1701 L Street, N.W.
Suite 400
Washington D.C. 20036

David Earl Honig
Executive Director
Minority Media and Telecommunications Council
3636 16th Street, N.W.
Suite BG-54
Washington, D.C. 20010

David L. Donovan